GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:4438
ANSWERED ON:18.12.2000
INTERNET SERVICES
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Will the Minister of COMMUNICATIONS be pleased to state:

(a) the present pattern of call charges for Internet;

(b) whether the cost of running the Internet services is very high as compared to other neighbouring countries; and

(c) if so, the steps proposed to be taken by the Government to reduce the said cost?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS(SHRI TAPAN SIKDAR)

(a) All basic telephone service operators are charging the same tariff for internet calls as for the voice calls from their subscribers. Also, at present Bharat Sanchar Nigam Limited (BSNL) is providing access to the nearest Internet node at local call charges.

(b) & (c): There is no information available to indicate that the cost of running the Internet services is very high as compared to other neighbouring countries. In fact the access charges in Internet service have shown consistent downward trend and a few Internet Service Providers (ISPs) are offering free Internet access.Also, the following steps by the Government would reduce the cost of running Internet service:-

(i) Licence fee for Internet service is waived upto 31.10.2003 and Re.1/- per annum thereafter.

(ii) ISPs have been allowed to import telecom equipment viz. Asynchronous Transfer Mode (ATM) switches, Frame Relay Switch, Routers, DWDM equipment and Ethernet Switch at the concessional custom duty of 5%.

(iii) ISPs have been permitted to set up International Gateways for Internet using satellite as well as submarine cable medium.

(iv) A 20% concession is being offered by BSNL on annual lease line rentals for lease lines taken for Internet access.

(v) BSNL plans to establish a National Internet Backbone for carriage of Internet traffic.It aims at providing easy interconnect point to the ISPs.

(vi) Under the National Long Distance policy the infrastructure providers would be encouraged to provide end to end bandwidth.

(vii) Videsh Sanchar Nigam Limited (VSNL) has announced substantial reduction in charges for International leased circuit and port charges from 1st January, 2001.